



# PUBLIC NOTICE

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**DA 22-792**

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## **WIRELINE COMPETITION BUREAU ANNOUNCES THE AVAILABILITY OF UNUSED FUNDS TO FULLY SATISFY DEMAND FOR RURAL HEALTH CARE PROGRAM FUNDING FOR FUNDING YEAR 2022**

### **WC Docket No. 02-60**

In June 2018, the Commission adopted rules to address increasing demand in the Rural Health Care (RHC) Program.<sup>1</sup> Specifically, the Commission: (1) increased the annual RHC Program funding cap;<sup>2</sup> (2) provided for the annual RHC Program funding cap to be adjusted for inflation;<sup>3</sup> and (3) established a process to carry-forward unused funds from past funding years for use in future funding years.<sup>4</sup> The Commission also directed the Wireline Competition Bureau (Bureau) to announce a specific amount of unused funds from prior funding years to be carried forward to increase available funding for future funding years.<sup>5</sup> In August 2019, the Commission clarified that the Bureau must determine the proportion of unused funding available in consultation with the Office of the Managing Director.<sup>6</sup>

The Universal Service Administrative Company (USAC) projects that, as of June 30, 2022, \$380.50 million in unused funds is available for use in future funding years beginning in funding year 2022.<sup>7</sup> Pursuant to the Commission's direction and section 54.619(a)(4)-(5) of the Commission's rules, the Bureau, in consultation with the Office of the Managing Director, directs USAC to carry forward up

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<sup>1</sup> *Promoting Telehealth in Rural America*, WC Docket No. 17-310, Report and Order, 33 FCC Rcd 6574 (2018) (*RHC Program Funding Cap Order*).

<sup>2</sup> *See id.* at 6578-82, paras. 10-19; *see also* 47 CFR § 54.619(a).

<sup>3</sup> *See RHC Program Funding Cap Order*, 33 FCC Rcd at 6582-84, paras. 20-23; *see also* 47 CFR § 54.619(a)(1)-(2).

<sup>4</sup> *See RHC Program Funding Cap Order*, 33 FCC Rcd at 6584-85, paras. 24-28; *see also* 47 CFR § 54.619(a)(4)-(5).

<sup>5</sup> *RHC Program Funding Cap Order*, 33 FCC Rcd at 6584-85, para. 27 ("The Bureau will announce the availability and amount of carryover funds during the second quarter of the calendar year."); 47 CFR § 54.619(a)(5). For funding year 2022, to align with the extended application filing window end date and gross demand estimate deadline, the Bureau required "the announcement of the availability and amount of carryover funds to be made in the third quarter of 2022." *Rural Health Care Support Mechanism; Promoting Telehealth in Rural America*, WC Docket Nos. 02-60, 17-310, Order, DA 22-221, 2022 WL 658878, at \*3, para. 8 & n.29 (WCB Mar. 3, 2022) (*FY 2022 Filing Window Extension Order*).

<sup>6</sup> *Promoting Telehealth in Rural America*, WC Docket 17-310, Report and Order, 34 FCC Rcd 7335, 7402, para. 142 (2019); 47 CFR § 54.619(a)(5).

<sup>7</sup> Letter from Mark Sweeney, Vice President, Rural Health Care Division, USAC, to Jodie Griffin, Chief, Telecommunication Access Policy Division, FCC Wireline Competition Bureau, and Bryan Boyle, Deputy Chief, Telecommunication Access Policy Division, FCC Wireline Competition Bureau, WC Docket 02-60 (filed July 22, 2022) (USAC Demand and Carry-Forward Funding Letter). The amount of unused funding may fluctuate slightly due to the resolution of pending funding requests and appeals. If the actual amount of unused funds is lower than the estimated amount, USAC is directed to carry forward the lower amount.

to \$380.50 million in unused funds from prior funding years to the extent necessary to satisfy funding year 2022 RHC Program demand.<sup>8</sup>

With the carry-forward funding announced in this Notice, all eligible RHC Program funding requests filed during the funding year 2022 application filing window can be fully funded without prioritization.<sup>9</sup> The RHC Program funding cap for funding year 2022 is \$637,721,108.<sup>10</sup> The internal cap on multi-year commitments and upfront payments under the Healthcare Connect Fund Program is \$161,022,761.<sup>11</sup> These funding year 2022 caps represent a 4.2% inflation-adjusted increase to the RHC Program funding cap and the internal cap on multi-year commitments and upfront payments from funding year 2021.<sup>12</sup> The estimated total RHC Program demand for funding year 2022 is \$697.85 million, of which approximately \$146.50 million represents demand for upfront payments and multi-year commitments in the Healthcare Connect Fund.<sup>13</sup>

For further information, please contact Bryan P. Boyle, Wireline Competition Bureau at (202) 418-7924 or via email at [Bryan.Boyle@fcc.gov](mailto:Bryan.Boyle@fcc.gov).

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<sup>8</sup> 47 CFR § 54.619(a)(4)-(5). The funding year 2022 application filing window was extended from April 1, 2022 to June 1, 2022 to minimize the persistent and ongoing disruptions caused by the COVID-19 pandemic to program participants, and the shortage and burnout of health care staff aggravated by the surge of the Omicron variant. *FY 2022 Filing Window Extension Order* at \*1, para. 1.

<sup>9</sup> See 47 CFR § 54.621(b) (requiring prioritization of funding requests by Priority Tiers when demand for Rural Health Care Program support exceeds available funding).

<sup>10</sup> *Wireline Competition Bureau Announces E-Rate and RHC Programs' Inflation-Based Caps for Funding Year 2022*, CC Docket No. 02-6, WC Docket No. 02-60, Public Notice, DA 22-271, 2022 WL 809990, at \*1 (WCB Mar. 14, 2022). The 2022 funding year runs from July 1, 2022 to June 30, 2023.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> See USAC Demand and Carry-Forward Funding Letter. The \$697.85 million total RHC Program demand includes the gross demand estimate of \$669.70 million from all program funding requests filed during the application filing window and the projected USAC administrative expenses of \$28.15 million. *Id.*